



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 10/1/2002

GAIN Report #AS2029

Australia

Grain and Feed

Grain Update - October Lockup 2002

Approved by:

Andrew C. Burst

U.S. Embassy

Prepared by:

Mike Darby

Report Highlights:

Post forecasts a further decline in Australia's 2002/03 wheat and barley crops, which are now expected at 16.5 million tons and 4.9 million tons respectively. The further decline in expected 2002/03 wheat output is attributed to a sharp drop in area and slightly lower forecasted yield. Timely September rains helped stem further reductions in output of Australia's winter grains.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Canberra [AS1], AS

Post forecasts Australian wheat production for 2002/03 at 16.5 MMT, about 31 percent (7.4 MMT) below the estimate for the previous year. The 2002/03 wheat forecast is 13 percent (2.5 MMT) below post's previous estimate (AS2022, Sept. 3, 2002). Timely falls of rain across much of the winter grain producing areas during September have done much to constrain larger falls in forecast production foreshadowed in post's previous report. The majority of the fall in this forecast is attributed to a lowering of area for the 2002/03 crop. Wheat area for 2002/03 is estimated at 10.8 Mha in line with ABARE's September forecast. NSW and WA, the two worst drought affected states, combined to drive down total wheat area. Post also lowered yield slightly to 1.55 MT/ha, which would represent the lowest average yield since 1994/95.

Post's 2002/03 forecasts assume normal weather conditions for the month of October. However, if follow-up rains are not received shortly, a further decline in forecast production can be expected. The wheat harvest is expected to commence in Queensland during October and progress southward into NSW and Victoria in November. The peak harvest month in WA is typically November.

ABARE's September 10 forecast places total wheat production for 2002/03 at 13.45 MMT, around 27 percent lower than the previous forecast and 44 percent lower than the previous year. The production decline represents a 14 percent fall in area and a 35 percent fall in yield compared to the previous year. Post has accepted ABARE's estimated drop in planted area for the 2002/03 crop, but considers their yield reductions to be too great at this point in the season. The next ABARE report, which will include winter grain estimates, is scheduled for release on December 3, 2002.

Post forecasts barley production for 2002/03 at 4.9 MMT, representing a fall of 17 percent on the previous forecast and 34 percent on the previous year. The decline from the previous estimate for the 2002/03 season is driven by a 12 percent fall in estimated yield and a six percent fall in estimated area. ABARE puts the barley crop slightly lower at 4.6 MMT, driven by the same reduction in planted area but a higher expected reduction in yield. The barley crop is still in critical need of additional rain. Without a return to more normal weather, further reductions in post's outlook for barley production can be expected.

ABARE has dropped the forecast area planted to summer crops in 2002/03 by nine percent from the previous year, to 1.5 Mha, due to drier than average conditions and shortages of irrigation water. Cotton plantings are forecast to fall by 36 percent to 256,000 ha and rice plantings are forecast to fall by 20 percent to 120,000 ha. Sorghum plantings are forecast to decrease only slightly to 803,000 ha, as shortages of irrigation water and soil moisture are expected to be mostly balanced by high feedgrain prices and fodder shortages. The months of October and November are typically the peak planting time for Australian summer crops.

AUSTRALIA WHEAT: State-Level Statistics						
(Million Hectares; Tons Per Hectare; Million Tons)						
			ABARE	ABARE	POST	POST
			EST.	EST.	EST.	EST.
	2000/2001*	2001/2002	2002/2003	2002/2003	2002/2003	2002/2003
Queensland			Aug	Sept	Sept	Oct
Area	0.987	0.730	0.450	0.465	0.450	0.465
Yield	1.306	1.027	1.667	1.398	1.667	1.613
Prod	1.289	0.750	0.750	0.650	0.750	0.750
New South Wales						
Area	3.645	3.720	3.430	2.500	3.430	2.500
Yield	2.299	1.935	1.327	1.200	1.720	1.720
Prod	8.380	7.200	4.550	3.000	5.900	4.300
Victoria						
Area	1.259	1.360	1.300	1.300	1.300	1.300
Yield	2.683	2.059	1.885	1.385	2.000	1.962
Prod	3.378	2.800	2.450	1.800	2.600	2.550
South Australia						
Area	2.119	2.120	2.100	2.100	2.100	2.100
Yield	2.116	2.476	1.714	1.571	1.857	1.748
Prod	4.484	5.250	3.600	3.300	3.900	3.670
Western Australia						
Area	4.753	4.590	4.490	4.000	4.490	4.000
Yield	1.306	1.656	1.203	1.170	1.314	1.314
Prod	6.209	7.600	5.400	4.680	5.900	5.256
Total						
Area	13.002	12.526	11.776	10.821	11.776	10.821
Yield	1.827	1.913	1.452	1.243	1.618	1.527
Prod	23.756	23.960	17.100	13.450	19.050	16.526
Estimates based on historical Australian Bureau of Agricultural and Resource Economics reports.						
* Source: Australian Bureau of Statistics						

AUSTRALIA BARLEY: State-level Statistics						
(Million Hectares; Tons Per Hectare; Million Tons)						
			ABARE	ABARE	POST	POST
			EST.	EST.	EST.	EST.
	2000/2001*	2001/2002	2002/2003	2002/2003	2002/2003	2002/2003
Queensland			Aug	Sep	Sep	Oct
Area	0.123	0.090	0.080	0.080	0.080	0.080
Yield	1.008	1.144	1.500	1.125	1.500	1.250
Prod	0.124	0.103	0.120	0.090	0.120	0.100
New South Wales						
Area	0.643	0.535	0.550	0.400	0.550	0.400
Yield	1.997	2.121	1.345	1.625	1.545	1.875
Prod	1.284	1.135	0.740	0.650	0.850	0.750
Victoria						
Area	0.735	0.732	0.750	0.730	0.750	0.730
Yield	2.450	2.049	1.667	1.221	1.800	1.425
Prod	1.801	1.500	1.250	0.891	1.350	1.040
South Australia						
Area	1.114	1.020	1.050	1.030	1.050	1.030
Yield	2.241	2.598	1.762	1.750	1.762	1.750
Prod	2.496	2.650	1.850	1.803	1.850	1.803
Western Australia						
Area	1.050	1.000	0.950	1.000	0.950	0.950
Yield	1.394	2.000	1.474	1.121	1.684	1.263
Prod	1.464	2.000	1.400	1.121	1.600	1.200
Total						
Area	3.675	3.389	3.392	3.202	3.392	3.202
Yield	1.958	2.201	1.589	1.431	1.739	1.530
Prod	7.196	7.459	5.390	4.581	5.900	4.900
Estimates based on historical Australian Bureau of Agricultural and Resource Economics reports.						
* - Source: Australian Bureau of Statistics						